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THE WORLD'S WHEAT SUPPLY, 1897-'98.

According to the Corn Trade Year Book for 1896, the average annual production of wheat throughout the world, for the eight years 1888-89 to 1895-96 inclusive, was 2,402,000,000 bushels. For the three consecutive years 1893-94, 1894-95, and 1895-96, the average was 2,515,000,000 bushels, being considerably above the average of the eight years. The crop of 1896-97 was estimated 2,384,000,000 bushels, a little under either of the above averages. The world's wheat consumption increases a little over one per cent. per annum. It is evident that the consumption during 1896-97 necessitated a large draft upon the reserves which had accumulated during the three preceding years of large crops. The world's visible supply of wheat on August 1, 1896, was 124 million bushels; on August 1, 1897, it had declined to 77,500,000 bushels, a decrease of 46,500,000 bushels, and was 33,000,000 bushels less than on August 1st in any of the preceding six years. Further, it was universally held that the reserves, not included in the visible supply, were smaller on August 1, 1897, than they had been at harvest time for many years. The world's wheat crop in 1897 was admittedly very deficient, this deficiency being variously estimated, but the general estimate of the yield was somewhere around 2,250,000 bushels. This was 131,000,000 bushels less than in 1896. Taking the crop of 1896, and adding thereto the drafts which were drawn on visible and other reserves during the crop year, the wheat consumption of the world during 1896-97 was seen to have been fully 2,475,000,000 bushels. The reserves held at harvest of 1897 were almost at a irreducible minimum, so that the wheat crop of that year appeared to be 225,000,000 bushels short of the supply required for the world's consumption in 1897-98.

The great proportion of the deficiency in the season's crop was found in Russia and South-eastern Europe, Austria-Hungary, which had always hitherto proved an exporting country, was this season to become an importer of wheat. Buda Pesth millers were among the first to display excitement. The price of wheat there, which on August 25, 1896, was 24s. 3d. per quarter of 480 lbs. had been rapidly advanced to 43s. 11d. on August 24, 1897, (an advance of

19s. 8d.) as compared with the advance in Liverpool for same dates of 14s. 11d. on the No. 2 red winter. In Paris, the advance over previous year's price on same date was 18s. per quarter.

It soon became evident that the high prices paying for wheat all over the world were bringing out such free deliveries, that for the earlier six months of the season at any rate, there would be an ample supply; and by the middle of September, prices in all markets had declined a little, the greatest decline being at Buda Pesth, which a few weeks previously had shown the greatest excitement. During the seven months from middle of September to nearly middle of April, prices for cash wheat remained very uniform, the averages for each month being much the same; the difference, taking English, French, Belgium, Hungarian, and United States markets being hardly one shilling per quarter. During these months holders of wheat found a constant but slow sale at current prices, while millers and dealers pursued a hand-to-hand policy in purchasing at such high prices. As the season advanced, it became evident that what had been considered an alarming deficiency was more apparent than real. The United States wheat crop, originally estimated by its government at 470,000,000 bushels, was later on estimated by same authority at 530,000,000 bushels, and has proved to be nearly, if not quite, 600,000,000. Russia, from its deficient crop, had exported considerably more wheat than from the larger crop of 1896, the high prices for wheat having evidently curtailed its consumption in that country. The future of the wheat market became entirely dependent upon the outturn of the crops to be harvested, between January 1st and April 1st in South America, British India and Australia. With abundant crops there, the supply would be ample for all requirements and prices would decline; with deficient crops, the supply would be precarious and in the competition for purchasers prices must advance. The reports from Argentina were very conflicting, the opinions as to the extent of the damage sustained from locusts, frosts and wet harvest varying very much. Early estimates generally claimed a surplus for export of 40,000,000 to 50,000,000 bushels, as compared with 59,000,000 to 61,000,000 bushels in calendar year 1894. Later estimates and actual exports appear to indicate that the exports from this season's crop due to arrive in Europe up to July 31st will not exceed 27,000,000 or 28,000,000 bushels, of which 18,000,000 bushels had been shipped up to May 1st. The crop reports from British India have been conflicting: in the Punjab, Northwest provinces, Oudh and Sind, the crop was large; in Bombay, and central provinces, deficient both as to area and yield. Taking the returns as to average and yield for the different provinces, the aggregate yield appears to work out about the same as in the crops of 1894 and 1895, when India exported from former crop 13,200,000 bushels, and from latter crop, 10,800,000 bushels. India's largest wheat exports were in the crop year April 1, 1891 to March 31, 1892, when they reached a little over 56,000,000 bushels from a crop estimated 275,000,000. Any estimate of this season's exports must be largely guess work. On the one hand, India started on April 1st, entirely bare of reserves, after a famine year, 1896-97; on the other hand, the high prices offering for wheat this season must induce growers there to sell freely, and others of the population to substitute the use of other cereals for wheat.